

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Essex County Industrial Development Agency, Inc.
Elizabethtown, New York

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Essex County Industrial Development Agency, Inc., a component unit of the County of Essex, New York, as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Essex County Industrial Development Agency, Inc. as of December 31, 2025 and 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Essex County Industrial Development Agency, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Essex County Industrial Development Agency, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Essex County Industrial Development Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Essex County Industrial Development Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 to 7), budgetary comparison information (page 25), Schedule of Agency's Proportionate Share of the Net Pension Liability (page 28), and Schedule of the Agency's Contributions (page 29), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Essex County Industrial Development Agency, Inc.'s basic financial statements. The schedule of functional expenses, schedule of industrial parks revenue and expenses, the statement of revenues, expenditures, and revenue and expenses – IDA & CRC, and the schedule of leases are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2026 on our consideration of the Essex County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Essex County Industrial Development Agency, Inc.'s internal control over financial reporting and compliance.

Boulrice & Wood CPA's PC

Boulrice & Wood CPA's PC
February 23, 2026

Essex County Industrial Development Agency, Inc.
Management's Discussion and Analysis
December 31, 2025

The management of the Essex County Industrial Development Agency, Component Unit of Essex County (the Agency) offers readers of the Agency's financial statements this narrative discussion, overview, and analysis of the financial activities of the Agency for the fiscal year ending December 31, 2025. The Agency's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

The Essex County Industrial Development Agency's assets exceeded its liabilities by \$7,048,668 for the fiscal year ended December 31, 2025. This compares to the previous year when assets exceeded liabilities by \$7,047,893.

Total net assets comprise the following:

1. Capital assets are \$4,521,678, net of accumulated depreciation and amortization.
2. Net assets of \$670,882 are restricted by constraints from outside the Agency, such as grantor requirements, laws and regulations.
3. Unrestricted net assets of \$1,857,438 represent the portion available to continue the Agency's objectives to stimulate economic development in Essex County, New York.

Total liabilities of the Agency increased from \$101,522 to \$ 108,796 during the fiscal year.

Revenues for the year ended December 31, 2025, totaled \$500,828 of which \$237,582 was County support, \$11,250 was bond application fees, and program fees, \$13,867 was rent income, \$61,191 was interest income, and \$176,938 were specific purpose grants.

Overview of the Financial Statements:

The Agency's basic financial statements consist of four components; 1) the Management's Discussion and Analysis, 2) Basic financial statements, 3) Notes to the financial statements and 4) Supplemental information. Because the Agency is a special-purpose government agency engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statement of Net Assets, the Statement of Revenues, Expenses, and Change in Net Assets, and the Statement of Cash Flows, following the Management Discussion and Analysis.

Overview of the Agency:

The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and the economic welfare of the people of Essex County and the State of New York. The Agency's operations are funded entirely through County support, grants, fees, rents and interest income.

Notes to the Financial Statements:

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 10 through 22 of this report. After the notes, the supplemental information is provided to show details about the Agency's bonds and budget analysis.

Budgetary Highlights

The operating budget for the Agency was \$323,049 for the fiscal year ended December 31, 2025. Operating revenues were \$177,074 more than budget. Operating expenses were \$177,004 more than budget.

Financial Analysis

In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information required by the New York State Office of the State Comptroller.

The Agency's Net Assets

	2025	2024
Current Assets	\$ 1,988,702	\$ 1,903,649
Capital Assets, Net	4,521,678	4,560,446
Other Assets	655,694	743,031
Total Assets	7,166,074	7,207,126
Liabilities	117,406	159,233
Net Assets	<u>\$ 7,048,668</u>	<u>\$ 7,047,893</u>

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by \$7,048,668 as of December 31, 2025. The Agency's net assets increased by \$775 for the year ended December 31, 2025. The largest portion of net assets (63.10%) reflects the Agency's investment in capital assets.

The Agency collected \$13,867 for the rental of the Moriah Business Park with one tenant.

The Agency's Revenue and Expenses

	2025	2024
Operating Revenues		
County allocation	\$ 237,582	\$ 237,582
Grants	176,938	17,638
Bond and application fees	11,250	3,740
Total Operating Revenues	425,770	258,960
Other Revenues		
Rental income	13,867	11,733
Interest income	61,191	51,902
Other revenue	-	-
Total Other Revenue	75,058	63,635
Total Revenue	500,828	322,595
Operating Expenses		
Personnel Services	253,278	257,317
Program expenses	217,400	420,837
Administration	29,375	24,690
Total Operating Expenses	500,053	702,844
Net Income (loss)	\$ 775	\$ (380,249)

Capital Assets

The Essex County Industrial Development Agency's investment in capital assets, net of accumulated depreciation and amortization, as of December 31, 2024, was \$4,560,446. This investment in capital assets includes land, buildings and improvements, and machinery and leased equipment. The increase in the Agency's investment in capital assets for the current year was due to the infrastructure extension project at the Moriah Business Park exceeding the depreciation.

	2025	2024
Nondepreciable:		
Land and Land Improvements	\$ 3,800,008	\$ 3,800,008
Depreciable:		
Buildings and Leasehold Improvements	1,131,744	1,131,744
Machinery and Equipment	187,683	187,683
Accumulated Depreciation	(599,087)	(562,542)
Total depreciable assets	\$ 4,520,348	\$ 4,556,893
Right-to-use assets	10,624	10,624
Accumulated amortization	(9,294)	(7,071)
Total capital assets, net	\$ 4,521,678	\$ 4,560,446

Economic Factors and Next Year's Budget and Rates

The purpose of the Essex County Industrial Development Agency is to promote, develop, encourage and assist in economic development and job creation in Essex County, New York.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Essex County Industrial Agency's finances, comply with finance-related laws and regulations, and demonstrate the Agency's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Agency's administration at 7566 Court Street Elizabethtown, New York 12932.

STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets		
Cash	\$ 1,833,822	\$ 1,762,021
Mortgage receivable - current portion (Note 6)	34,337	31,095
Notes receivable - current portion	120,543	110,533
Total current assets	<u>1,988,702</u>	<u>1,903,649</u>
Noncurrent assets		
Capital assets, net		
of accumulated depreciation (Note 7)	4,521,678	4,560,446
Mortgage receivable, net of current portion (Note 6)	249,961	281,684
Notes receivable, net allowance for bad debts, (\$77,628 in 2025 and \$170,000 in 2024), and current portion	321,459	356,937
Total noncurrent assets	<u>5,093,098</u>	<u>5,199,067</u>
Total assets	<u>7,081,800</u>	<u>7,102,716</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension (Note 11)	84,274	104,410
Total deferred outflow of resources	<u>84,274</u>	<u>104,410</u>
Total assets and deferred outflow of resources	<u>\$ 7,166,074</u>	<u>\$ 7,207,126</u>
LIABILITIES		
Current liabilities:		
Accrued and withheld payroll taxes	\$ -	\$ 1,057
Lease liability - current	1,330	2,222
Total current liabilities	<u>1,330</u>	<u>3,279</u>
Noncurrent liabilities:		
Net pension liability- proportionate share	107,466	96,913
Lease liability - non-current	-	1,330
Total noncurrent liabilities	<u>107,466</u>	<u>98,243</u>
Total liabilities	108,796	101,522
DEFERRED INFLOW OF RESOURCES		
Pension (Note 11)	8,610	57,711
Total liabilities and deferred inflow of resources	<u>117,406</u>	<u>159,233</u>
NET POSITION		
Net investment in capital assets	4,520,348	4,556,894
Restricted net assets	670,882	745,061
Unrestricted net assets	1,857,438	1,745,938
Total net position	<u>7,048,668</u>	<u>7,047,893</u>
Total liabilities, deferred inflow and net position	<u>\$ 7,166,074</u>	<u>\$ 7,207,126</u>

See Independent Auditor's Report and Notes to the Financial Statements

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

EXHIBIT B

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
REVENUES, GAINS, AND OTHER SUPPORT		
County Allocation	\$ 237,582	\$ 237,582
Grant Income	176,938	17,638
Industrial Park rents	13,867	11,733
Revenue bond fees	11,250	2,000
Application and administrative fees	-	1,740
Interest income	61,191	51,902
	<u>500,828</u>	<u>322,595</u>
Total Revenue, Gains, and Other Support		
EXPENSES		
Program expense (Schedule 1)	217,400	420,837
Personnel expense (Schedule 1)	253,278	257,317
Administrative expense (Schedule 1)	29,375	24,690
	<u>500,053</u>	<u>702,844</u>
Total Expenses		
Change in Net Assets	775	(380,249)
Net Assets at Beginning of Year	<u>7,047,893</u>	<u>7,428,142</u>
Net Assets at End of Year	<u>\$ 7,048,668</u>	<u>\$ 7,047,893</u>

See Independent Auditor's Report and Notes to the Financial Statements

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 1. Organization

The Essex County Industrial Development Agency, Inc. (the Agency) operates as a component unit of the County of Essex, New York. The Agency is a public benefit corporation created by the New York State Legislature. The Essex County Board of Supervisors appoints the members to the Agency's Board of Directors. The Agency is empowered by law to issue tax-exempt bonds to finance qualified industrial firms. It also may purchase, develop, manage, sell and lease real property, including land and buildings, for the purpose of creating jobs and serving the public welfare generally. The real property used for such public purpose is exempt from property tax by law. The Agency can also loan funds and administer those loans to businesses to promote economic development.

In accordance with the contract, dated March 7, 1996, between Essex County Industrial Development Agency, Inc. and the County of Essex, it was agreed that each would be separate and independent entities of government effective January 1, 1982. According to the tenants of the same contract the Industrial Development Agency was charged with the administration of the business of the Essex County Development Corporation.

As of January 1, 2006, the Essex County Empire Development Zone Corporation was dissolved and merged with the Essex County Industrial Development Agency, Inc. The administration of the Empire Development Zones within Essex County, New York are now through the Agency servicing existing certified businesses and administering the recertification of Empire Development Zone designated areas. The Agency is responsible to provide a zone coordinator to service the Empire Development Zone within Essex County, New York. This program ended June 30, 2010. The Agency is required to administer the program to existing certified business.

Due to an end of the New York State civil facilities bond program, the Agency could no longer facilitate the bond financing arrangements for nonprofit entities in Essex County, New York. The Agency determined that this was a significant gap in services to stimulate economic development. In the 2010 fiscal year, the Agency created a related nonprofit corporate entity, The Essex County Capital Resources Corporation, whose purpose is to facilitate bond financing arrangements for non-profits in Essex County, New York. These financial statements reflect a combination of the financial activity of the two entities.

Note 2: Significant Accounting Policies

The financial statements of the Agency have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of grant imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

The Agency has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of December 31, 2025.

Net Assets Without Restrictions are resources available to support operations and may consist of both undesignated funds and Board designated funds.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 2: Significant Accounting Policies (continued)

The Board of Directors evaluates and considers all donor recommendations. However, the ultimate decision of the distribution of these funds rests solely with the Board of Directors as required by New York State Law and the Center's governing instruments (variance power). Accordingly, the financial statements classify all net assets (except assets subject to grant- imposed or endowment funds as Board-designated.

Net Assets with Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period.

Some donor-imposed restrictions are temporary in nature and the restrictions will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

Revenues and Expenses

Revenues are reported as increase in unrestricted net assets unless use of the related assets is limited by grant-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

The Agency considers cash and any appropriate investment with the initial maturity date of three months or less to be cash and cash equivalents. Funds are segregated in separate accounts as requested by granting agencies.

Donated Services

The Agency has not received any donated services or goods. Thus, none have been reflected in the financial statements. On occasion it receives facilities and the policy on this is described below.

Plant

Land, buildings, furniture and equipment are recorded at cost and include expenditures for new facilities and improvements that substantially increase the useful lives of existing buildings and equipment. Expenditures in the nature of normal repairs and maintenance are accounted for as expenses in the statement of activities of unrestricted net assets. Depreciation of building and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation is recognized on general operating assets and industrial projects with current earnings. Assets in excess of \$1,000 are capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and applicable disclosures at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Agency is generally exempt from income taxes on related income pursuant to Section 501(a) of the code. Management has determined that the Agency does not have any uncertain tax positions that materially impact the financial statements or related disclosures.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 3: Industrial Revenue Bond and Note Transactions

Industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to or owned by companies and is retired by lease or principal payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond or note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents.

Note 4: Cash and Investments

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of New York State or its localities. At December 31, 2025 the Agency had no investments.

Collateral is required for demand and time deposits and certificates of deposit not covered by the Federal Deposit Insurance Corporation. Obligations that may be pledged as collateral include obligations guaranteed by the government of the United States or by the State of New York and obligations issued by a municipal corporation or school district of such State.

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. While the Agency does not have a specific policy for custodial credit risk, New York State statutes govern the Agency's investment policies, as described above. At December 31, 2025, the Agency's cash and cash equivalent bank balances were \$1,846,053. All deposits are covered by FDIC insurance and collateral held in the Agency's name.

Note 5: Notes Receivable

Notes receivable are recognized at the current outstanding balance. Funds collectible within twelve months are identified as the current portion of the notes receivable. Funds collectible in more than twelve months are identified as noncurrent assets.

The Allowance for Doubtful Accounts is evaluated annually and adjusted accordingly. The Agency seeks every means of collection of its notes.

Note 6: Mortgage Receivable

In 2018, the Agency sold property consisting of a building and 3.47 acres in the Moriah Business Park for \$530,000. Monthly payments of \$3,088.84 began in January 2019. The balance remaining on the mortgage receivable at December 31, 2024 and 2023 was \$284,298 and \$312,779, respectively.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 7: Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation are as follows:

Industrial Projects	2025	2024
Ausable Forks:		
Land	\$ 733	\$ 733
Chesterfield		
Land	3,567,999	3,567,999
Total	<u>3,568,732</u>	<u>3,568,732</u>
Moriah Project		
Land	110,949	110,949
Land Improvements	120,327	120,327
Building	466,511	466,511
Site development	399,036	399,036
Operating assets of the agency		
Building	266,197	266,197
Furniture and fixtures	28,481	28,481
Training equipment	127,781	127,781
Office equipment	31,421	31,421
Total	<u>1,550,703</u>	<u>1,550,703</u>
Less Accumulated Depreciation	<u>(599,087)</u>	<u>(562,542)</u>
Total	<u>951,616</u>	<u>988,161</u>
Property, Plant and Equipment		
Net of accumulated depreciation	<u>4,520,348</u>	<u>4,556,893</u>
Right-to-use assets:		
Leased equipment	10,624	10,624
Less accumulated amortization	<u>9,294</u>	<u>7,071</u>
Net right-to-use assets	<u>1,330</u>	<u>3,553</u>
Total Capital Assets	<u>\$ 4,521,678</u>	<u>\$ 4,560,446</u>

Right-to-Use Assets

The Agency implemented the guidance in GASB Statement No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases. Capital Assets now include the cost and accumulated amortization of a copier leased under a long-term contract. The right-to-use asset is being amortized over the lease term. Terms of the lease is described in Note 12.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 8: Moriah Business Park

The Moriah Business Park is a 32-acre park featuring pre-permitted (Adirondack Park Agency and Town of Moriah), Shovel-Ready sites. This park features municipal water and sewer on-site as well as high-speed internet access, fiber optics and 3-phase power.

The Agency purchased an additional 38 acres adjacent to the Moriah Business Park in February 2020.

Note 9: Chesterfield Business Park Project

The Chesterfield Park is a 100-acre park featuring lots pre-permitted (Adirondack Park Agency and Town of Chesterfield) and Shovel-Ready for multi-use buildings up to 40,000 square feet. The Chesterfield Park has municipal water and sewer on site as well as high speed internet access, fiber optics and 3-phase power.

Note 10: Community Development Block Grant

Recently there was a review of the administration of the Community Development Block Grant (CDBG) program. According to the New York State Office of Homes and Community Renewal, the rules concerning the accumulation, reuse and reporting of program income were not being followed. As a result of these findings, the Housing Trust Fund Corporation, a New York State agency, is requiring that all agencies return any uncommitted program income to the Albany, New York agency. Program income includes principal and interest on loans funded by CDBG grant funds.

As of March 31, 2019, any revolving loan fund payments received whose funding originated from CDBG funds must be remitted to the Albany office monthly. One of the loans in the Agency's portfolio have CDBG source funds.

Note 11. Pension Plan

Employees' Retirement System (ERS)

Plan Description

The Agency participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plan (continued)

Benefits can be changed for future members only by enactment of State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 year of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received.

The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set for by law. The first \$50,000 of ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the members' annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensions who have attained age 55 and have been

retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half of the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent of exceed 3 percent.

Contributions

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3.0 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions base on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Contributions:

	<u>ERS</u>
2025	\$ 39,993
2024	\$ 34,846
2023	\$ 27,311

ERS has provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025 the Agency reported the following liability for its proportionate share of the net pension asset for the System. The net pension liability was measured as of February 23, 2026 for ERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Agency's proportion of the net pension asset was based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS Systems in reports provided to the Agency.

	<u>ERS</u>
Actuarial Valuation Date	3/31/2025
Net Pension asset/(liability)	\$ (107,446)
Agency's portion of the Plan's total net pension liability	-0.0006267%

For the year ended December 31, 2025, the Agency's recognized pension expense of \$21,581 for ERS. At December 31, 2025 the Agency's reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of resources ERS</u>	<u>Deferred Inflows of resources ERS</u>
Differences between expected and actual experience	\$ 26,669	\$ 1,258
Changes of assumptions	4,506	-
Net difference between projected and actual earnings on pension plan investments	8,430	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	4,676	7,352
Agency's contributions subsequent to the measurement date	39,993	-
Total	<u>\$ 84,274</u>	<u>\$ 8,610</u>

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

The Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

	<u>ERS</u>
Year ended:	
2026	\$ 17,570
2027	26,698
2028	(9,771)
2029	1,174
Total	<u>\$ 35,671</u>

Actuarial Assumptions

The total pension asset as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward to total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement date	3/31/2025
Actuarial valuation date	4/1/2024
Interest rate	5.9%
Salary scale	4.3%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience
Inflation rate	2.9%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The Actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a build block method in which best estimate ranges of expected future real rates of return

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

(expected returns net of investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the longer term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarize below:

Measurement Date Asset Type:	Long-Term Expected Real Rate of Return
	3/31/2025 %
Domestic equity	3.54
International equity	6.57
Private equity	7.25
Real estate	4.95
Absolute return strategies	5.25
Credit	5.40
Real assets	5.55
Fixed income	2.00
Cash	0.25

Discount Rate

The discount rate used to calculate the total pension asset was 5.9% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS, as well as what the Agency's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1% lower (4.9% for ERS) or 1% higher (6.9% for ERS) than the current rate:

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 11. Pension Plans (continued)

ERS	1% Decrease	Current Assumption	1% Increase
	4.9%	5.9%	6.9%
Employer's proportionate share of the net pension asset (liability)	\$ (310,964)	\$ (107,446)	\$ 62,490

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through December 31, 2025 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2025 and 2024 amounted to \$0, as the contributions were paid before year end for both years.

Although the employees of the Agency participate in the New York State and Local Employees' Retirement System and do accrue retirement benefits for post-employment, the Agency does not participate in the New York State Employees' Health Insurance program. The Agency has a policy to provide health insurance to its employees while they are employed at the Agency. The Agency contracts on its own for this employee benefit. There is no policy at this time to provide health insurance coverage to any employee in retirement.

Note 12: Right-to-Use Lease Liability

In fiscal 2022, the Agency implemented the guidance in GASB Statement No. 87 *Leases* for accounting and reporting leases that had previously been reported as operating leases. The Agency has one lease for a copier machine.

Minimum lease payments over the remaining year of the lease include:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1,330	14	1,344
	\$ 1,330	\$ 14	\$ 1,344

Essex County Industrial Development Agency, Inc.
Notes to Financial Statements
December 31, 2025

Note 13: Conduit Debt

From time to time, the Agency, through the Capital Recourse Corporation (CRC), has acted as a conduit with New York State to issue Municipal bonds. The Agency is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there are five series of bonds outstanding, with an aggregate principal amount payable of \$29,237,903.

Note 14: Subsequent Events

The Agency has evaluated events and transactions that occurred between December 31, 2024 and February 23, 2026 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

Schedule I

	<u>2025</u>	<u>2024</u>
Program Expenses		
Bad debt expense (recovery)	\$ (92,372)	\$ 170,000
Conferences	2,315	2,070
Depreciation expense	34,301	33,440
Dues and subscriptions	2,569	2,350
Grant expenditures	125,000	43,835
Industrial Park expenses	33,865	71,065
Insurance	17,992	16,155
Legal fees and notices	12,000	4,051
Marketing expense	1,410	2,447
Miscellaneous expense	153	490
Program expenses	75,623	69,894
Telephone	2,383	2,533
Travel	2,161	2,507
Total Program Expense	<u>217,400</u>	<u>420,837</u>
Personnel Expense		
Salaries	214,510	204,124
Payroll tax expense	17,187	15,592
Retirement	21,581	37,601
Total Personnel Expense	<u>253,278</u>	<u>257,317</u>
Administrative Expense		
Accounting	9,610	9,293
Bank service charges	240	117
Board meeting expense	-	125
Building expenses	5,918	3,500
Depreciation and amortization expense	2,244	2,241
Equipment leases and maintenance	3,814	2,412
Office expense and supplies	6,842	6,114
Postage and printing	707	888
Total Administrative Expense	<u>29,375</u>	<u>24,690</u>
	<u>\$ 500,053</u>	<u>\$ 702,844</u>

See independent auditor's report

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
SCHEDULE OF INDUSTRIAL PARKS REVENUE AND EXPENSES
December 31, 2025

Schedule 2

		Schroon Lake/		<u>2025</u>	<u>2024</u>
	<u>Moriah</u>	<u>Jay</u>	<u>Chesterfield</u>	<u>Total</u>	<u>Total</u>
Rental Income	\$ 13,867	\$ -	\$ -	\$ 13,867	\$ 11,733
Expenses:					
Maintenance	10,940	-	-	10,940	25,560
Landscaping	2,700	-	-	2,700	6,210
Real estate taxes	258	32	-	290	290
Insurance	3,041	352	595	3,988	6,455
Utilities	470	-	-	470	3,744
Services and fees	15,367	-	110	15,477	28,806
Total Expenses	<u>32,776</u>	<u>384</u>	<u>705</u>	<u>33,865</u>	<u>71,065</u>
Net Rental					
Income (Loss)					
Before Depreciation	(18,909)	(384)	(705)	(19,998)	(59,332)
Depreciation expense	<u>34,301</u>	<u>-</u>	<u>-</u>	<u>34,301</u>	<u>33,440</u>
Net Rental Loss	<u>\$ (53,210)</u>	<u>\$ (384)</u>	<u>\$ (705)</u>	<u>\$ (54,299)</u>	<u>\$ (92,772)</u>

See independent auditor's report

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended December 31, 2025**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
County support	\$ 222,852	\$ 237,582	\$ 14,730
Program fees	2,000	11,250	9,250
Other revenue	98,886	190,805	91,919
Interest income	16	61,191	61,175
	<u>323,754</u>	<u>500,828</u>	<u>177,074</u>
Expenditures:			
Audit and accounting fees	9,300	9,610	(310)
Bad debt expense (recovery)	-	(92,372)	92,372
Bank charges	150	240	(90)
Board meeting expense	125	-	125
Building expenses	3,088	5,918	(2,830)
Conferences/Workshops	1,500	-	1,500
Depreciation expense	-	36,545	(36,545)
Dues and subscriptions	2,350	2,569	(219)
Equipment rental and maintenance	3,500	3,814	(314)
Grant expenditures	-	125,000	(125,000)
Industrial park expenses	-	33,865	(33,865)
Insurance	19,634	17,992	1,642
Legal fees and notices	8,100	12,000	(3,900)
Marketing expense	2,701	1,410	1,291
Meetings and seminars	500	2,315	(1,815)
Miscellaneous expense	-	153	(153)
Office expense	5,383	6,842	(1,459)
Personnel services	260,768	253,278	7,490
Printing and postage	950	707	243
Program expense	-	75,623	(75,623)
Telephone	2,500	2,383	117
Travel	2,500	2,161	339
Total expenditures	<u>323,049</u>	<u>500,053</u>	<u>(177,004)</u>
Excess (deficit) of revenues and other sources over expenditures and other uses	<u>\$ 705</u>	<u>\$ 775</u>	<u>\$ 70</u>

See independent auditor's report

REVENUES AND EXPENSES - IDA AND CRC
Year Ended December 31, 2025

	IDA	CRC	Total
REVENUES, GAINS, AND OTHER SUPPORT			
County Allocation	\$ 237,582	\$ -	\$ 237,582
Grant Income	176,938	-	176,938
Industrial Park rents	13,867	-	13,867
Revenue Bond fees	11,250	-	11,250
Application and administrative fees	-	-	-
Interest income	61,191	-	61,191
Total Revenue, Gains, and Other Support	<u>500,828</u>	<u>-</u>	<u>500,828</u>
EXPENSES			
Program expense (Schedule 1)	217,400	-	217,400
Personnel expense (Schedule 1)	253,278	-	253,278
Administrative expense (Schedule 1)	29,375	-	29,375
Total Expenses	<u>500,053</u>	<u>-</u>	<u>500,053</u>
Expenditures in Excess of Support	<u>\$ 775</u>	<u>\$ -</u>	<u>\$ 775</u>

See independent auditor's report

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
 SCHEDULE OF STRAIGHT-LEASE TRANSACTION PROJECTS
 YEAR ENDED DECEMBER 31, 2025

Name of Project	Project Owner And Address	Year of Origination	Purpose	Project Amount	Tax Exemptions	Actual Jobs
Lodge at Schroon	Lodge at Schroon 18 Division Street, Suite 401 Saratoga Springs, NY 12886	2024	69 standard hotel rooms, 25 suites, 9 seasonal single-family chalets, 8 seasonal cabins and 10 glamping sites with stand-alone restaurant and event space	\$ 25,414,938	10 year PILOT agreement	30 Full-time 8 Part-time
Hotel Westport	Lucky Cats Hospitality 6691 Main Street Westport, NY 12993	2025	4 hotel suites, a year-round casual fine-dining restaurant and bar, private event spaces and speakeasy bar	\$ 1,500,000	Sales Tax exemption not to exceed \$88,000 10 year PILOT agreement after construction	Under Construction
Champlain Hudson Power Express	Transmission Developers 623 5th Avenue 20th Floor New York, NY 10022	2021	335 mile, fully buried 1250 megawatt high voltage direct current electric transmission that will transmit renewable energy to Astoria, NY	\$ 279,561,911	Sales tax exemption not to exceed \$22,364,953, 30 year PILOT agreement after construction	Under Construction
Pre-Tech Plastics	Pre-Tech Plastics PO Box 483 Williston, VT 05495	2018	22,000 sq ft Manufacturing Facility	\$ 530,000	PILOT agreement	27 Full-time
Paradox Brewery	Paradox Brewery 2781 US Route 9 North Hudson, NY 12855	2018	21,000 sq ft Manufacturing Facility & tasting room	\$ 5,600,000	Sales tax exemption not to exceed \$170,320 Mortgage Recording tax abatement, 10 year PILOT agreement	24 Full-time 15 Part-time

SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Year Ended December 31, 2025

	NYSERS Pension Plan Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Agency's proportion of the net pension liability (asset)	0.00063%	0.00066%	0.00073%	-0.00073%	0.00072%	0.00079%				
Agency's proportionate share of the net pension liability/(asset)	\$ 107,446	\$ 96,913	\$ 155,777	\$ (60,007)	\$ 719	\$ 208,287				
Agency's covered- employee payroll	\$ 214,510	\$ 204,124	\$ 193,124	\$ 183,684	\$ 191,667	\$ 179,735				
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.09%	47.48%	80.66%	-32.67%	0.38%	115.89%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	-103.65%	99.95%	86.39%				

* The amounts presented for each fiscal year were determined as of 12/31

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Agency is presenting information for those years for which information is available.

See independent auditor's report

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Schedule 7

SCHEDULE OF THE AGENCY'S CONTRIBUTIONS
Year Ended December 31, 2025

NYSERS Pension Plan
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 39,993	\$ 34,846	\$ 27,131	\$ 24,318	\$ 32,507	\$ 28,136	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ 39,993	\$ 34,846	\$ 27,131	\$ 24,318	\$ 32,507	\$ 28,136	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Agency's covered-employee payroll	\$ 214,510	\$ 204,124	\$ 193,124	\$ 183,684	\$ 191,667	\$ 179,735				
Contributions as a percentage of covered-employee payroll	18.6%	17.1%	14.0%	13.2%	17.0%	15.7%				

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Agency is presenting information for those years for which information is available.

See independent auditor's report

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Board of Directors
Essex County Industrial Development Agency, Inc.
Elizabethtown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Essex County Industrial Development Agency, Inc. as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Essex County Industrial Development Agency, Inc.'s basic financial statements, and have issued our report thereon dated February 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Essex County Industrial Development Agency, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Essex County Industrial Development Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Essex County Industrial Development Agency, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Essex County Industrial Development Agency, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boubrice & Wood CPAs P.C.

Plattsburgh, New York
February 23, 2026